

To: Rothery, Deirdre[Rothery.Deirdre@epa.gov]
Cc: Law, Donald[Law.Donald@epa.gov]
From: Smith, Claudia
Sent: Tue 6/7/2016 5:12:05 PM
Subject: FW: Briefly Discuss Overlap of U&O FIP with BLM Rule

Hi, Dee,

Just keeping you in the loop that I am having a call today with OAQPS to discuss some suggestions they have regarding explaining the overlap of the proposed FIP with the proposed BLM Venting and Flaring Rule. I left a voicemail with Kimi Matsumoto that we may have some questions for her that arise from this meeting about the nuances of where exactly BLM administers their rules. We know for sure BLM administers when there is federal or tribal mineral estate (regardless of surface ownership), but we are still fuzzy when it comes to private mineral estate, but Indian country surface estate within the exterior boundaries of a Reservation. I believe there is also a matter of if private mineral extraction crosses federal or tribal mineral estate.

Thanks,

Claudia

From: Stoneman, Chris
Sent: Tuesday, June 07, 2016 9:12 AM
To: Smith, Claudia <Smith.Claudia@epa.gov>
Subject: RE: Briefly Discuss Overlap of U&O FIP with BLM Rule

C - I'll cut and paste into MSW and offer some edits. Chris

From: Smith, Claudia
Sent: Tuesday, June 07, 2016 11:11 AM
To: Beeler, Cindy <Beeler.Cindy@epa.gov>
Cc: Stoneman, Chris <Stoneman.Chris@epa.gov>; Moore, Bruce <Moore.Bruce@epa.gov>; Nizich, Greg <Nizich.Greg@epa.gov>; Waltzer, Suzanne <Waltzer.Suzanne@epa.gov>
Subject: RE: Briefly Discuss Overlap of U&O FIP with BLM Rule

No, should be deleted, thanks for catching, Cindy.

Thanks,

Claudia

From: Beeler, Cindy

Sent: Tuesday, June 07, 2016 9:09 AM
To: Smith, Claudia <Smith.Claudia@epa.gov>
Subject: RE: Briefly Discuss Overlap of U&O FIP with BLM Rule

Thanks, Claudia - are you missing the end of a sentence - see in red below ...

Cindy Beeler
US EPA Region 8, Energy Advisor
Office of the Regional Administrator
Tel: 303-312-6204
Beeler.Cindy@epa.gov

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From: Smith, Claudia
Sent: Tuesday, June 07, 2016 8:52 AM
To: Stoneman, Chris <Stoneman.Chris@epa.gov>; Nizich, Greg <Nizich.Greg@epa.gov>; Moore, Bruce <Moore.Bruce@epa.gov>
Cc: Beeler, Cindy <Beeler.Cindy@epa.gov>; Razzazian, Christopher <Razzazian.Christopher@epa.gov>; Waltzer, Suzanne <Waltzer.Suzanne@epa.gov>
Subject: RE: Briefly Discuss Overlap of U&O FIP with BLM Rule

As presently addressed in the draft RIA as a first attempt:

On February 8, 2016, the Bureau of Land Management (BLM), of the U.S. Department of the Interior, proposed revisions to 43 CFR 3100 (Onshore Oil and Gas Leasing) and 43 CFR 3600 (Onshore Oil and Gas Operations) and proposed new requirements regarding Roalty-Free Use of Lease Production (addition of 43 CFR 3178) and Waste Prevention and Resource Conservation (addition of 43 CFR 3179)¹. The proposed requirements pertain to federal and oil and natural gas mineral resource leases and permits for approval to drill oil and natural gas wells. Among requirements unrelated to air pollution control, the proposed rule, herein referred to as the BLM Venting and Flaring Rule, would require operators of new oil and natural gas wells subject to an Application for Permit to Drill (APD) to develop and submit a plan to minimize the waste of natural gas from the planned well, ~~and would require ...~~ what? It would also prohibit the venting of gas except in certain circumstances, and would limit gas flaring during normal production operations from development oil wells. The proposed BLM Venting and Flaring Rule, if finalized, would also limit losses of gas through venting and leaks by placing requirements on other activities and equipment, including well drilling, completions and workovers, production testing, pneumatic controllers and pumps, storage tanks, liquids unloading, and leak detection and repair (LDAR). Generally, oil and natural gas source operations pertaining to the leasing and drilling of federal or tribal oil and natural gas mineral estate are administered by the BLM and would be subject to the BLM Venting and Flaring Rule, if finalized. The BLM stated in the preamble of the

proposed BLM Venting and Flaring Rule, and in the accompanying RIA², that as a practical matter, the proposed requirements, if finalized, would impact only existing equipment at operations that are not regulated by the EPA under NSPS OOOO and OOOOa. The RIA for the BLM Venting and Flaring Rule discussed a stated effort to develop requirements that were consistent with NSPS OOOO and OOOOa.

Because the BLM Venting and Flaring Rule proposes to place requirements on existing activities and equipment, such as storage tanks, pneumatic pumps, pneumatic controllers, and LDAR, if finalized, we expect there will be some overlap with the proposed FIP, if finalized, for oil and natural gas sources on Indian country lands within the U&O Reservation that are producing federal or tribal mineral estate. We have not quantified the number of affected oil and natural gas sources under the proposed FIP which would also be subject to the BLM Venting and Flaring Rule, if both are finalized. Such a quantification would be subject to complex legal analysis and would be unnecessary, because requirements imposed by the BLM do not alter the EPA's authority and obligation under CAA sections 301(a) and 301(d)(4) and 40 CFR 49.11 to establish FIP provisions necessary or appropriate to protect air quality on the Indian country lands within the U&O Reservation³.

Thanks,

Claudia

-----Original Appointment-----

From: Stoneman, Chris

Sent: Tuesday, June 07, 2016 6:03 AM

To: Stoneman, Chris; Nizich, Greg; Moore, Bruce; Smith, Claudia

Subject: Briefly Discuss Overlap of U&O FIP with BLM Rule

When: Tuesday, June 07, 2016 2:00 PM-2:30 PM (UTC-05:00) Eastern Time (US & Canada).

Where: RTP-OAQPS-919-541-5230-OID-AQPD/Phone-Line/RTP-OAQPS-BLDG-C

¹ Department of the Interior, BLM, Proposed Rule, "Waste Prevention, Production Subject to Royalties, and Resource Conservation" 81 FR 6616.

² "Regulatory Impact Analysis for: Revisions to 43 CFR 3100 (Onshore Oil and Gas Leasing) and 43 CFR 3600 (Onshore Oil and Gas Operations); Additions of 43 CFR 3178 (Royalty-Free Use of Lease Production) and 43 CFR 3179 (Waste Prevention and Resource Conservation)," available online at http://www.blm.gov/style/medialib/blm/wo/Communications_Directorate/public_affairs/news_release_attachments.Par.11216.File.dat/VF%20Regulatory%20Impact%20Analysis.pdf, accessed June 6, 2016.

³ This authority is detailed in the preamble to the proposed FIP.